Statement

Cost of collection of Direct Taxes During last three years

(In thousands of Rupees)

Year	Salaries	Other Heads	Total cost of collection		Percentage of slaries (with reference to Total Cost of Collection)
			In absolute terms	in percentage of collection	
1991-92 . .	185,63,06	67,06,79	252,69,85	1.65%	73.46%
1992-93 . .	212,51,80	79,78,48	292,30,28	1.63%	72.70%
1993-94 . .	233,64,68	92,84,69	326,49,37	1.62%	71.56%

Assessees of Interest Tax

4345. SHRI RAM RATAN RAM: Will the Minister of FINANCE be pleased to state:

(a) what was the number of assessees of interest tax during the last three years;

(b) what is the reason for such low number of assessees when lakhs of people earn interest; and

(c) what is being done to increase the assessees and prevent interest Tax avoidance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The number of interest-tax assessees are as follows:—

Financial Year	No. of Interest-tax assessees.
1991-92 . . .	142
1992-93 . . .	850
1993-94 . .	1,385

(b) Not all assessees who earn interest are liable to pay tax under the Interest-tax Act. 1974. It is only the credit institutions defined under section 2(5A) of the Interest-tax Act, 1974 which include banking companies, State Financial Corporations and other financial companies, who are liable to pay Interst-tax;

(c) While under section 7(1) of the Act, every credit institution should file voluntray return of interest-tax, section 7(2) authorises the assessing officer to issue notices calling for the returns. Further, where interest is escaping assessment the assessing officer can issue notice under section 10 of the Act. Correlation of the income-tax and interest-tax records are made to see that the eligible assessees file returns under the Interest-tax and also to prevent interest-tax avoidance.

Pending cases of Direct Taxes

4346. SHRIMATI BASANTI SARMA: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Direct Taxes have issued specific instructions for taking timely action on audit observations so as to avoid cases becoming time-barred leading to loss of revenue;

(b) what is the number of cases which have become time-barred during the last three years;

(c) whether Government have identified Officers responsible for letting the cases become time-barred and what action has been taken against them; and

(d) what is being done to prevent such inordinate delays?